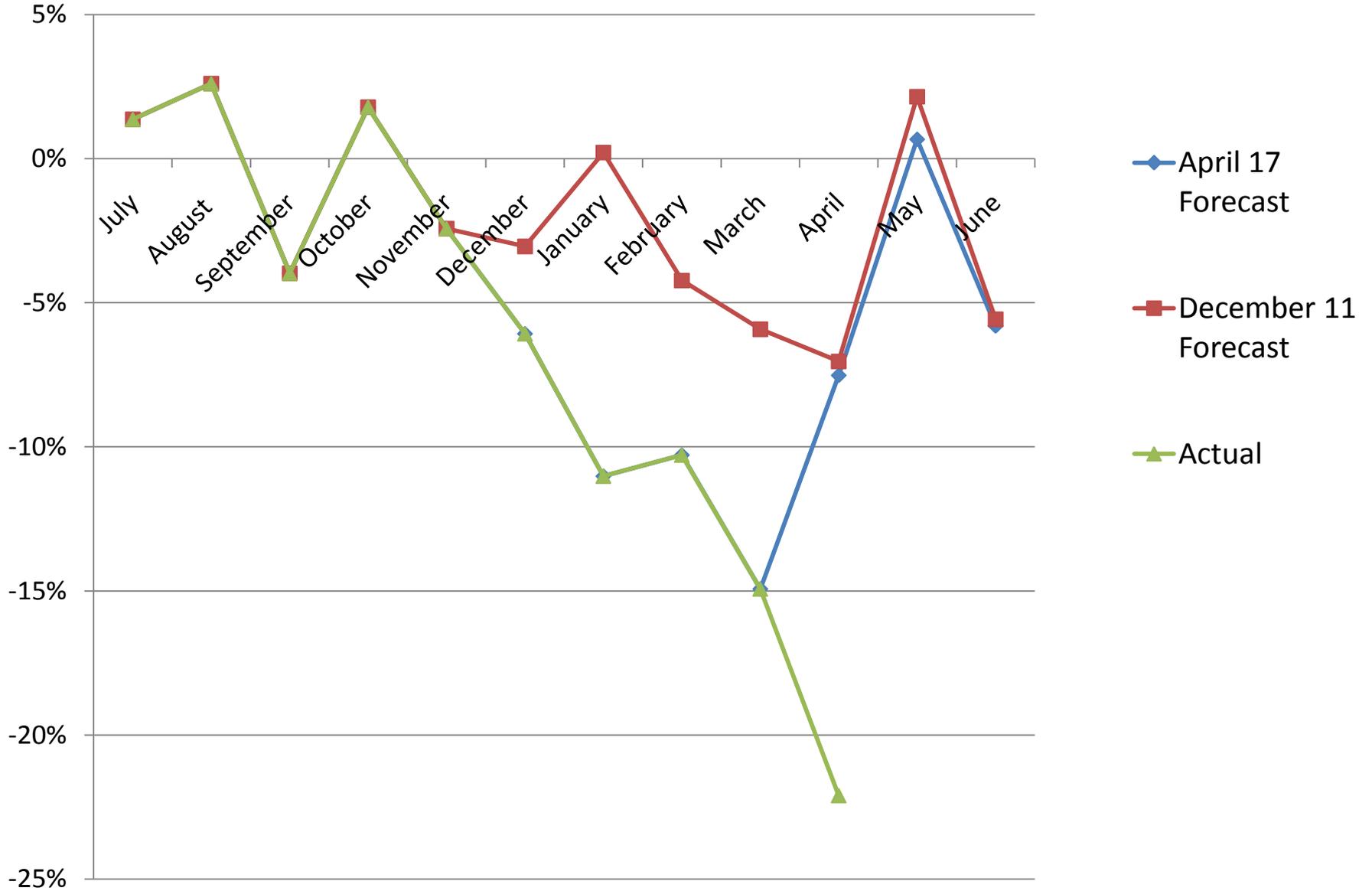
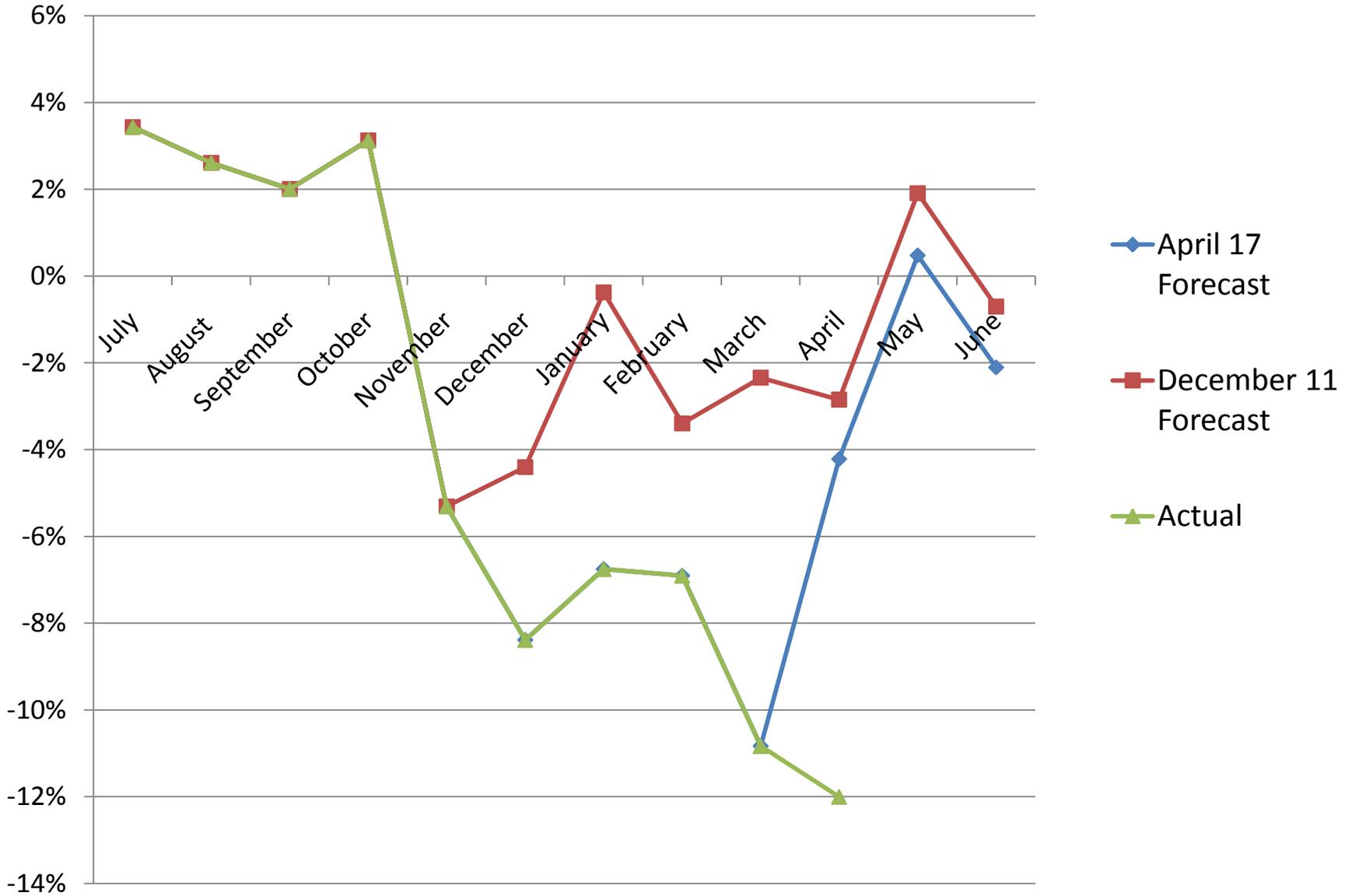


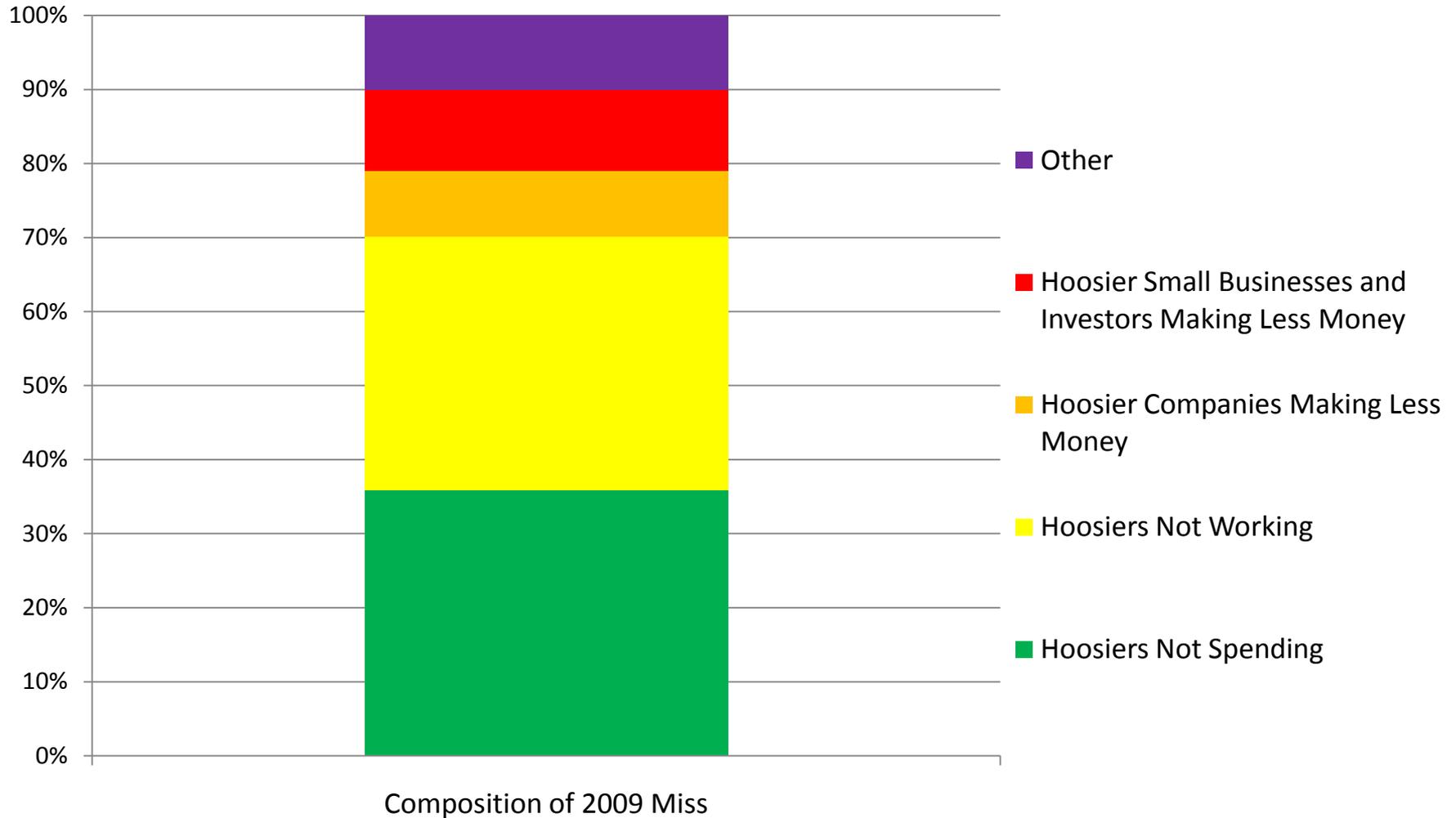
Year-Over-Year Revenue Collections



Year-Over-Year Sales Tax Collections



Composition of FY09 Decline



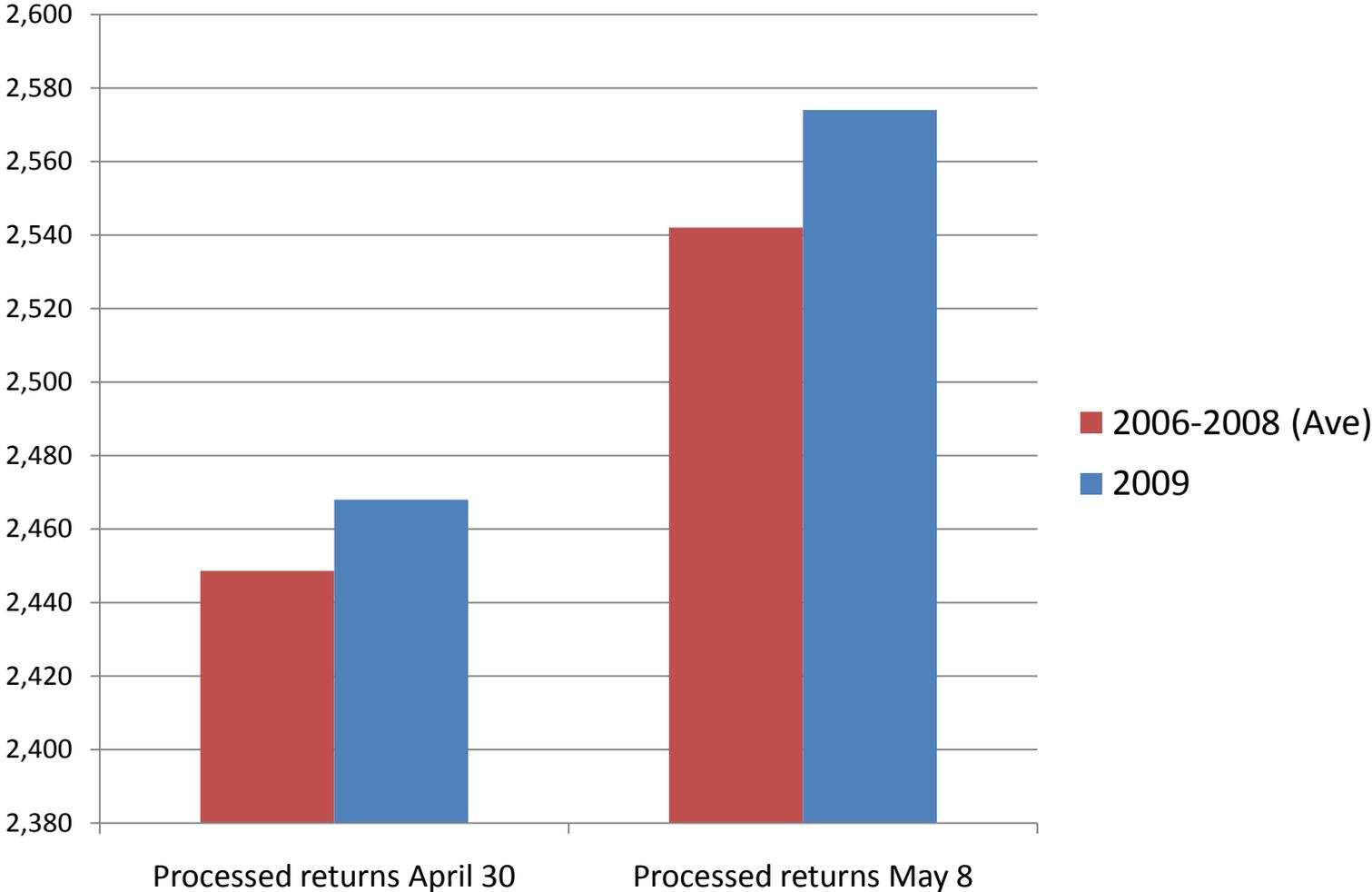
Revenue Data

- Sales tax—last ten years, excluding tax increases = 3.8%
- Individual income tax—last ten years = 3.6%
- FY 2009 Year to Date = -8%
 - Sales -4%
 - Individual Income -12%

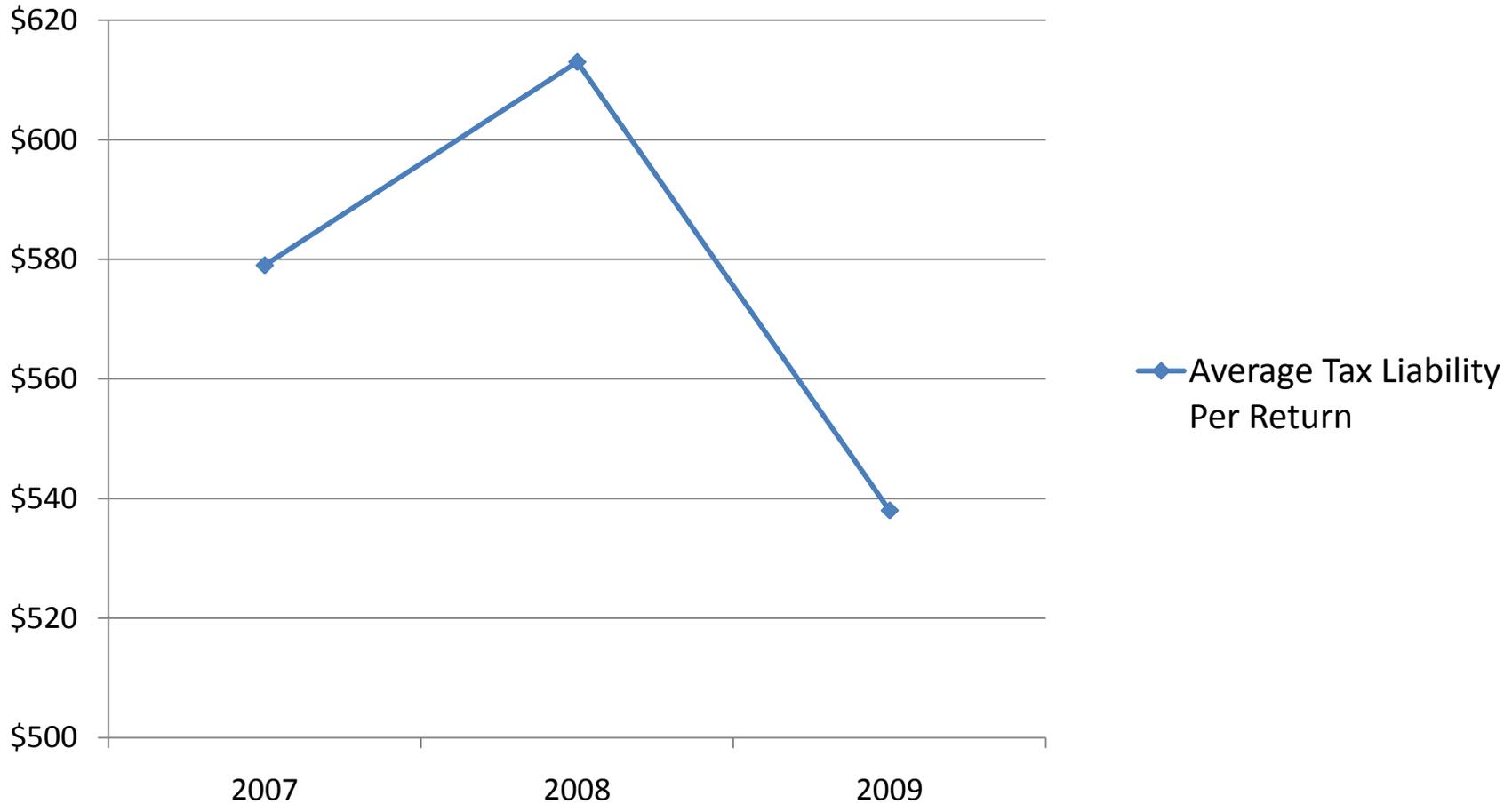
April 2009 Income Tax Collections vs. April 2008

- **Indiana: -31%**
- Federal: -35%
- Ohio: -36%
- Wisconsin: -35%
- Tennessee: -25%
- Illinois: -27%
- Michigan: not released
- Kentucky: not released

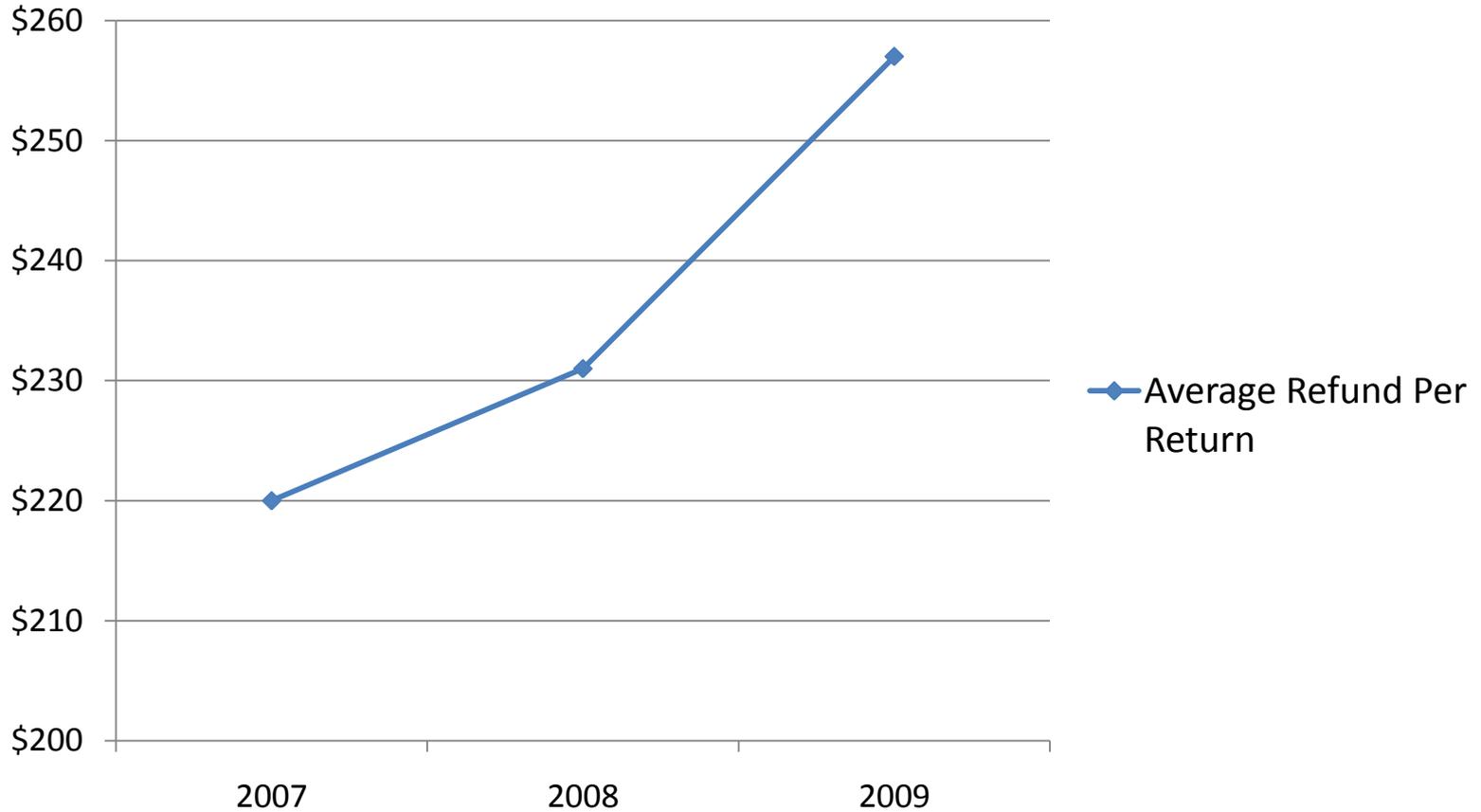
Department of Revenue Processing Returns More Quickly Than Past Years



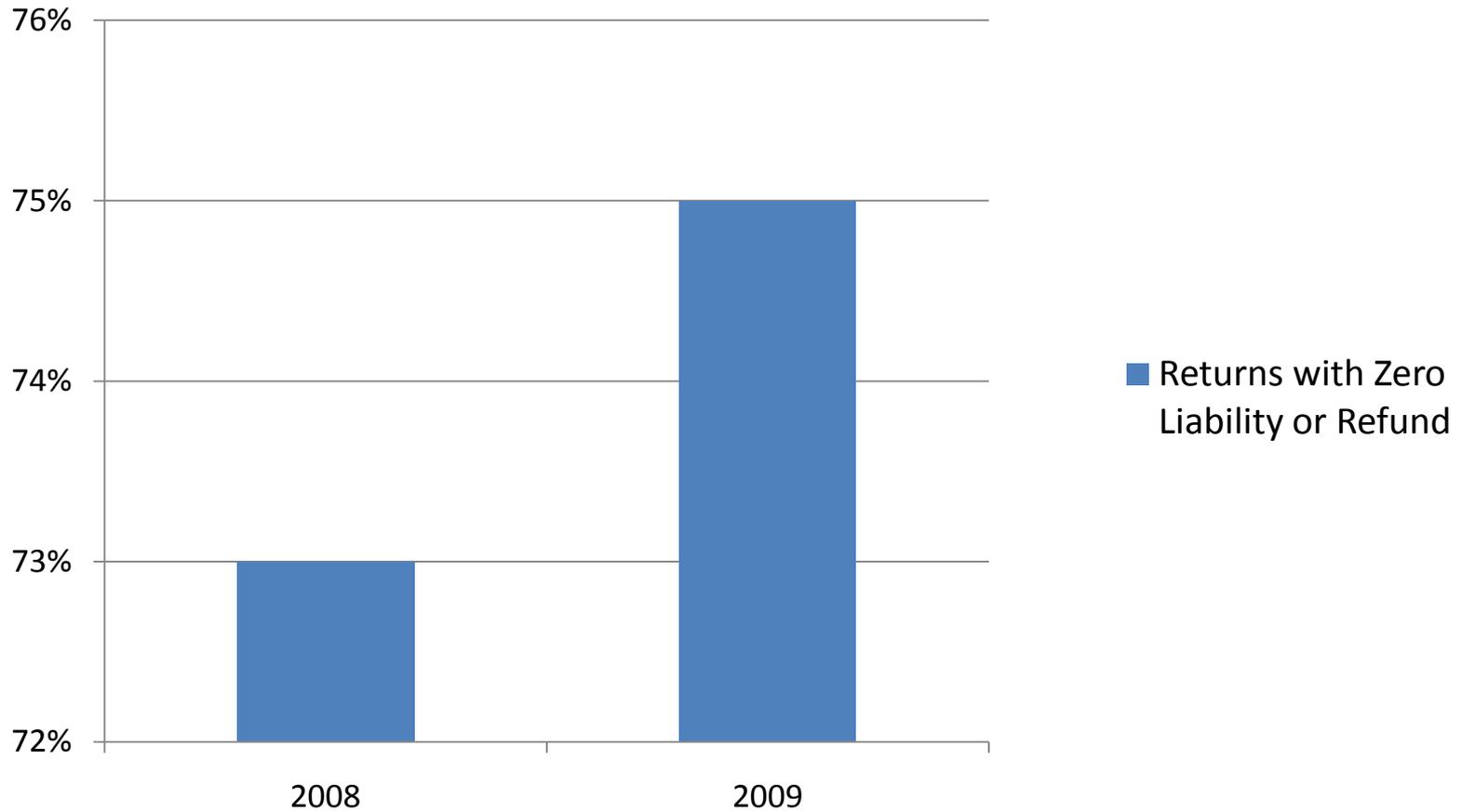
But... Taxes Paid Per Return Has Declined 12%



And... The Average Refund Has Increased 11%



A Larger Percentage of Returns Have Zero Due or a Refund



Capital Gains— A Repeat of History?

- Last significant downturn in the stock market was the early 2000s dot-com bust
- Peak to trough decline in Wilshire 5000 = -49%
- Result—estimated tax payments declined for three consecutive fiscal years:
 - FY 2001 -2.4%
 - FY 2002 -10.5%
 - FY 2003 -5.8%
- Peak to trough decline in Wilshire 5000 this cycle = -57% (Assumes we've hit the trough)
- Result— estimated payments decline for ?

Will Consumer Spending Return?

- Recent study concluded that post-recession spending will reach only 86% of pre-recession levels
- According to the Bureau of Economic Analysis, since World War II, the personal savings rate during recessionary periods was 7.9%
- The personal savings rate in the last 5 years averaged between 1%-2%

May Tax Collections

- 18% of May revenues deposited
- Majority (85%+) of revenues will be deposited by the 23rd of the month, following electronic payments of sales and income taxes due May 20th
- Individual income tax collections down 32%
- Total tax collections down 24%